

# ASARCO agrees to pay millions in fines, for cleanup

*Deal avoids court battle over pollution  
at East Helena smelter, Arizona mine*

HELENA (AP) — ASARCO Inc., one of the nation's largest mining and mineral processing companies, has agreed to pay \$6.4 million in penalties to resolve alleged violations of federal environmental laws in Montana and Arizona.

The agreement with the Environmental Protection Agency, announced Friday, also requires the company to spend \$61.5 million on cleanup projects and improvement of pollution-control operations nationwide. ASARCO has 38 plants or mines in six states.

The bulk of the money — about \$50 million — will be spent at ASARCO's Ray Mine near Kearny, Ariz., where the company will build a wastewater control system at the 6,100-acre open-pit copper mine.

About \$300,000 will be spent at the company's lead smelter in East Helena, said Bob Novotny, ASARCO vice president of operations. The money will be used to develop a new system for monitoring the quality of raw materials the plant receives for processing, he said.

In reaching the agreement, ASARCO did not admit any wrongdoing or liability.

The EPA said the agreement ends two years of dispute and avoids a court battle.

The company will pay almost \$3.4 million in penalties related to allegations of illegal pollution by its East Helena smelter. The EPA contended the plant allowed contaminated wastewater to leak into a creek, burned hazardous substances in a furnace and illegally disposed of toxic metals that may have contaminated soil and ground water.

The agreement requires the company to study the extent of the pollution, clean it up and restore wetlands near the smelter.

The remaining \$3 million in penalties are related to the Arizona mine where EPA said toxic metals were illegally allowed to pollute water.

Novotny said the payment of the fines and the promise to spend millions more on environmental

## EPA allegations

The EPA said that at the East Helena smelter ASARCO:

- Used water laced with lead and arsenic to spray on the ground for dust control in 1996.

- Illegally disposed of furnace lining brick that contained high levels of chromium, lead and cadmium over a five-year period.

- Stored, treated and disposed of materials containing large amounts of mercury, cyanide and arsenic.

- Excavated soil with high levels of lead, arsenic and cadmium without first determining the dirt was so contaminated as to be hazardous waste.

- Dumped wastewater containing heavy metals into ponds that allowed the water to drain into a nearby creek for five years before obtaining a permit from the state.

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## ASARCO

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facilities. Whether a plant or mine is closed depends on the economics of that particular operation based on world markets for ASARCO products and materials available for processing, he said.

Although the East Helena smelter does not turn a profit, Novotny said its finances improved over the past year. "We're optimistic for the future of the plant," he said.

John Wardell, state EPA director, described the far-reaching agreement as an "effort to sweep the slate clean" on a large number of disagreements between the company and the federal agency.

Novotny emphasized that ASARCO has not admitted any violations and said, "We have always met environmental laws."

Asked if he agreed with that statement, Wardell would say only, "There's always a difference of opinion." He would not elaborate.

Other EPA and company officials applauded the agreement.

"The terms of this settlement show how the regulated community can work with the government to resolve complex environmental and legal problems and come up with solutions that benefit the community and the environment," said Bill Yellowtail, EPA's regional administrator in Denver and a former Montana state senator.

Richard Osborne, ASARCO's chairman and chief executive officer, predicted the cooperation between the company and EPA will continue with state and federal environmental agencies.

The agreement between ASARCO and EPA is subject to approval by federal judges in Montana and Arizona. The public has 30 days to comment.